CAROLINA, CLINCHFIELD AND OHIO RAILWAY

FOURTH ANNUAL REPORT

TO THE

STOCKHOLDERS

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FISCAL YEAR ENDED JUNE 30, 1914

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Carolina, Clinchfield and Ohio Railway

BOARD OF DIRECTORS

EDWARD D. ADAMS,	*New York, N. Y.*
C. LEDYARD BLAIR,	*New York, N. Y.*
GEO. L. CARTER,	*Johnson City, Tenn.*
JOHN B. DENNIS,	*New York, N. Y.*
WALLACE B. DONHAM,	*Boston, Mass.*
ISAAC T. MANN,	*Bramwell, W. Va.*
MARK W. POTTER, *Chairman*,	*New York, N. Y.*
NORMAN B. REAM,	*New York, N. Y.*
ROBERT C. REAM,	*New York, N. Y.*
W. M. RITTER,	*Columbus, O.*
WALTER T. ROSEN,	*New York, N. Y.*
THOS. F. RYAN,	*Oak Ridge, Va.*
E. F. WATSON,	*Burnsville, N. C.*
W. K. WHIGHAM,	*New York, N. Y.*

EXECUTIVE OFFICERS

MARK W. POTTER,	*President*
J. J. CAMPION,	*Vice-President and Traffic Manager*
I. McQUILKIN,	*Vice-President and Comptroller*
CARL M. OWEN,	*Secretary*
S. K. LINDSAY,	*Treasurer*

GENERAL OFFICERS

J. NORMENT POWELL,	*General Counsel*
H. G. MORISON,	*General Solicitor*
L. H. PHETTEPLACE,	*General Manager*
WARD CROSBY,	*Chief Engineer*

General Office,	Johnson City, Tenn.
New York Office,	24 Broad Street.

FOURTH ANNUAL REPORT

NEW YORK, August 1, 1914.

To the Stockholders of the

CAROLINA, CLINCHFIELD AND OHIO RAILWAY:

The Fourth Annual Report of the Board of Directors, for the fiscal year ended June 30, 1914, is submitted herewith.

MILEAGE

	MILES
Main line: Dante, Va., to North Carolina—South Carolina State Line	224.10
Branch: Kiser, Va., to Laurel Junction, Va	5.60
Trackage rights over Norfolk & Western Railway, Kiser, Va., to St. Paul, Va	8.45
	238.15
Carolina, Clinchfield and Ohio Railway of South Carolina owns and operates	17.95
Total on which regular train service is maintained	256.10

As stated in previous annual reports, the earnings of Carolina, Clinchfield and Ohio Railway of South Carolina are controlled by ownership of securities, and, for convenience, the results of the operation of the entire mileage described above are dealt with as a whole.

GENERAL RESULTS

A summary of the results of operation is shown below:

Operating Revenue (increase $44,573.88, or 1.69%)	$2,679,208 42
Operating Expenses (increase $136,657.48, or 12.22%)	1,255,287 31
Net Operating Revenue (decrease $92,083.60, or 6.07%)	$1,423,921 11
Taxes (increase $24,343.83, or 22.76%)	131,322 25
	$1,292,598 86
Miscellaneous Income (increase $93,610.75, or 33.41%)	$373,822 10
Total Income (decrease $22,816.68, or 1.35%)	$1,666,420 96
Interest, rentals and other fixed charges (increase $19,383.16, or 2.05%)	966,306 73
Income carried to Profit and Loss (decrease $42,199.84, or 5.68%)	$700,114 23

The complete Income Account appears in the appendix.

OPERATING REVENUES

MERCHANDISE FREIGHT OTHER THAN COAL

The revenue from transportation of merchandise freight amounted to eight hundred seventeen thousand one hundred forty-two dollars and seventy-three cents ($817,142.73), being an increase of twenty-two thousand five hundred fifty-eight dollars and sixty-one cents ($22,558.61) as compared with the previous year.

The tonnage moved was 878,675 tons, an increase of 73,639 tons as compared with the previous year.

The number of tons carried one mile amounted to 65,263,028, an increase of 1,399,542 ton miles, or 2.19 per cent.

The average haul decreased from 79.33 to 74.27 miles, a decrease of 5.06 miles.

The Percentage of Revenue derived from the transportation of merchandise freight to Gross Revenue was 30.50 per cent., an increase of 0.34 per cent., as compared with the previous year.

COAL FREIGHT

From transportation of coal there was derived the sum of one million five hundred eighty-three thousand two hundred seven dollars and eleven cents ($1,583,207.11), an increase of three hundred seventy-one dollars and eleven cents ($371.11).

The coal tonnage transported amounted to 1,760,440 tons, an increase of 71,629 tons over previous year.

The number of tons carried one mile amounted to 358,222,520, an increase of 14,603,643 ton miles, or 4.25 per cent.

The average haul increased from 203.47 to 203.48 miles.

The percentage of Coal Revenues to Gross Revenues was 59.09 per cent., a decrease of 0.99 per cent.

ENTIRE FREIGHT TRAFFIC

The total freight revenue derived was two million four hundred thousand three hundred forty-nine dollars and eighty-four cents ($2,400,349.84), an increase of twenty-two thousand nine hundred twenty-nine dollars and seventy-two cents ($22,929.72).

Combining merchandise and coal, the entire freight traffic amounted to 2,639,115 tons, being an increase of 145,268 tons.

The number of tons carried one mile was 423,485,548, an increase of 16,003,185 ton miles, or 3.93 per cent.

The average distance carried was 160.47 miles, a decrease of 2.93 miles.

The average revenue per ton was 90.95 cents, as against 95.33 cents last year, being a decrease of 4.38 cents.

The total freight train mileage was 352,248, a decrease of 752 miles.

The average train load of revenue freight was 1,202.24 tons, an increase of 47.90 tons.

The average number of tons of revenue freight in each loaded car was 38.46 tons, a decrease of 0.45 tons.

In addition to the above tonnage, company's freight amounted to 170,777 tons, being an increase of 22,791 tons.

PASSENGER TRAFFIC

From Passenger Traffic, the revenue derived was two hundred twenty-four thousand five hundred seventy-nine dollars and fifty-eight cents ($224,579.58), an increase of twenty-two thousand four hundred seventy-six dollars and seventy-five cents ($22,476.75).

The number of passengers carried was 438,641, an increase of 35,209.

The number of passengers carried one mile was 10,776,055, an increase of 1,632,568, or 17.85 per cent.

The average distance traveled by each passenger was 24.57 miles, an increase of 1.91 miles.

The average revenue paid by each passenger was 51.20 cents, an increase of 1.10 cents.

Passenger train mileage was 373,752, an increase of 2,862 miles.

EXPRESS REVENUE

Express revenue amounted to thirteen thousand four hundred sixty-six dollars and fifty-six cents ($13,466.56), an increase of one thousand one hundred seventy-five dollars and twenty-seven cents ($1,175.27).

MAIL REVENUE

The revenue derived from carrying United States mail was twelve thousand eight hundred fifty dollars and forty-eight cents ($12,850.48), an increase of five hundred eighty-six dollars and eleven cents ($586.11).

MISCELLANEOUS REVENUES

These consist of revenues derived from chartered trains, other passenger train revenue, switching revenue, station and train privileges, storage on freight and baggage, car service, telephone service, rents of buildings and property, and miscellaneous, and amount to twenty-seven thousand nine hundred sixty-one dollars and ninety-six cents ($27,961.96), a decrease of two thousand five hundred ninety-three dollars and ninety-seven cents ($2,593.97).

OPERATING EXPENSES

MAINTENANCE OF WAY

The expenditure for Maintenance of Way and Structures amounted to $190,866.50, or $745.28 per mile operated. The expenditure for Maintenance of Way and Structures for the previous year was $709.98 per mile operated. The property has been fully maintained in every respect.

MAINTENANCE OF EQUIPMENT

The total expenses for Maintenance of Equipment during the year amounted to $330,396.46, an increase over the previous year of $69,685.41, or 26.73 per cent. There was an increase in the amount of equipment in service and an increase in the arbitrary charge for depreciation of equipment. The changes in equipment and the unit costs of maintenance are fully shown in the equipment list shown elsewhere.

TRAFFIC EXPENSES

The expenditures under this heading amounted to $102,917.21, an increase of $6,153.95 over the previous twelve months. While the total traffic expenditures are heavy for the mileage of the road, it is believed a liberal policy is advisable at the present time to develop, secure and establish our share of competitive business.

CONDUCTING TRANSPORTATION

The total cost of conducting transportation was $506,224.94, an increase over the previous year of $39,251.49, or 8.41 per cent. This is due to increase of tonnage and cost of fuel. The increase in the revenue ton-miles over the previous year was 3.93 per cent. The ratio of transportation expenses to total operating revenues was 18.90 per cent. as compared with 17.72 per cent. last year, an increase of 1.18 per cent.

GENERAL EXPENSES

The expenditures for general administration were for the year, $124,882.20 as compared with $112,356.97 for the previous year, an increase of 11.15 per cent.

CAPITAL STOCK

The Capital Stock of Carolina, Clinchfield and Ohio Railway outstanding remains unchanged. It consists of:

250,000 shares Common Stock, par value $100 each	$25,000,000
100,000 shares Preferred Stock, par value $100 each	10,000,000
Total	$35,000,000

FINANCIAL

On July 1, 1913, there were purchased:

475 Steel Underframe Box Cars,
25 Steel Underframe Stock Cars,

at a cost of $431,646.25, of which amount $81,646.25 was paid in cash and an issue made of $350,000.00, principal amount of Equipment Trust Certificate, Series D, bearing 5 per cent. interest and payable in fourteen semi-annual installments of $25,000.00 each, commencing January 1, 1914 and ending July 1, 1920.

On August 18, 1913, $500,000.00 principal amount of Carolina, Clinchfield and Ohio Railway, First Mortgage Five Per Cent. Gold Bonds were sold, bringing the amount outstanding up to $13,500,000.00. The proceeds were used in paying principal of Equipment Notes, Series A, B and C, falling due June 1, July 15 and August 1, 1913, respectively, initial payment of Equipment Notes, Series D, and for Additions and Betterments.

There were issued during the year $2,800,000.00 in principal amount of Elkhorn Extension First Mortgage Five Per Cent. Gold Notes, the proceeds being applied to the construction of the extension from Dante, Virginia, to Elkhorn City, Kentucky. The total amount of these notes outstanding June 30, 1914, was $5,000,000.00.

Payments were made on account of principal of Equipment Trust Notes as follows:

Series A	$260,000.00
Series B	100,000.00
Series C	100,000.00
Series D	25,000.00
Total	$485,000.00

Semi-annual dividends of 3 per cent. each on $10,000,000.00 Preferred Stock outstanding, payable September 1, 1913, and March 1, 1914, respectively, were declared and paid.

GENERAL REMARKS

For the first six months of the fiscal year ended June 30, 1914, the increase in our revenues from operation, as compared with the same period in the previous year, was $170,687.55, or 13.02 per cent. Owing to the widespread business depression, this ratio of increase was not maintained for the last six months. On the contrary, there was a falling off of about $125,000, as compared with the last six months of the previous year.

Work on the extension of the line of railway from Dante, Virginia, to a connection with the line of the Chesapeake & Ohio Railway Company, at Elkhorn City, Kentucky, has progressed satisfactorily, and it is expected that the extension will be in operation in October next.

There is now under construction at Charleston, South Carolina, a pier and modern coal-handling facilities for the loading of coal to vessels. These facilities will be an important assurance of increased earnings to our company, as they will afford an opportunity for the coals of Southwest Virginia and Eastern Kentucky to reach tidewater and the markets beyond, via the Clinchfield Railway.

On February 24, 1914, Mr. I. McQuilkin was elected Vice-President in charge of finances and accounts and Mr. L. H. Phetteplace was elected General Manager.

The Board acknowledges the fidelity and efficiency of the officers and employees of the Company.

For the Board of Directors,
MARK W. POTTER,
President.

STATEMENTS AND STATISTICS

GENERAL INCOME ACCOUNT

CAROLINA, CLINCHFIELD AND OHIO RAILWAYS

FOR THE YEAR ENDED JUNE 30, 1914, AND COMPARISON WITH PREVIOUS YEAR

	1914	1914	1913	INCREASE OR DECREASE.
OPERATING REVENUES				
Freight	$2,400,349 84		$2,377,420 12	$22,929 72
Passenger	224,579 58		202,102 83	22,476 75
Mail	12,850 48		12,264 37	586 11
Express	13,466 56		12,291 29	1,175 27
Miscellaneous	27,961 96		30,555 93	*2,593 97*
Total operating revenues		$2,679,208 42	$2,634,634 54	$44,573 88
OPERATING EXPENSES				
Maintenance of way and structures	$190,866 50		181,825 10	9,041 40
Maintenance of equipment	330,396 46		260,711 05	69,685 41
Traffic expenses	102,917 21		96,763 26	6,153 95
Transportation expenses	506,224 94		466,973 45	39,251 49
General expenses	124,882 20		112,356 97	12,525 23
Total operating expenses		1,255,287 31	$1,118,629 83	$136,657 48
Ratio of operating expenses to operating revenues		46.85%	42.45%	
NET OPERATING REVENUE		$1,423,921 11	$1,516,004 71	*$92,083 60*
TAXES		131,322 25	106,978 42	24,343 83
OPERATING INCOME		$1,292,598 86	$1,409,026 29	*$116,427 43*
MISCELLANEOUS INCOME				
Hire of equipment	$371,522 82		277,861 58	93,661 24
Rental of leased rail	2,299 28		2,349 77	*50 49*
Total miscellaneous income		373,822 10	$280,211 35	$93,610 75
		$1,666,420 96	$1,689,237 64	*$22,816 68*
From which deduct:				
Interest on loans and accounts	$16,471 01		23,810 80	*7,339 79*
Rental of joint facilities	8,432 92		8,538 90	*105 98*
		24,903 93	$32,349 70	*$7,445 77*
TOTAL INCOME		$1,641,517 03	$1,656,887 94	*$15,370 91*
DEDUCTIONS FROM INCOME				
Interest on funded debt	$781,736 12		761,351 65	20,384 47
Interest on equipment trusts	159,666 68		153,222 22	6,444 46
		941,402 80	$914,573 87	$26,828 93
NET INCOME		$700,114 23	$742,314 07	*$42,199 84*

PROFIT AND LOSS STATEMENT, YEAR ENDED JUNE 30, 1914

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

CREDITS		
Balance July 1, 1913	$626,221 44	
Miscellaneous adjustment of accounts	21,629 75	
Credit balance from income account for the year (*a*)	800,177 81	
Total Credits		$1,448,029 00
DEBITS		
Discount on Securities	$52,750 00	
Property retired during year (side tracks)	2,973 75	
Dividends—Numbers two and three on Preferred Stock	600,000 00	
Total Debits		655.723 75
Credit Balance, June 30, 1914		$ 792,305 25

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

DEBITS		
Balance July 1, 1913	$401,735 45	
Debit balance from income account for the year (*b*)	100,063 58	
Miscellaneous adjustment of accounts	517 52	
Debit balance, June 30, 1914		$ 502,316 55

(*a*) Credit Balance from Income	$800,177 81
(*b*) Debit Balance from Income	100,063 58
Net Credit Balance from Income as shown on pages 7 and 14	$700,114 23

STATEMENT OF FUNDED DEBT AND EQUIPMENT NOTES, JUNE 30, 1914

LIENS CREATED BY	CHARACTER OF LIEN	AMOUNT OUTSTANDING	DATE OF MATURITY	RATE PER ANNUM	DATE PAYABLE	INTEREST ACCRUED DURING YEAR
Carolina, Clinchfield and Ohio Ry.	First Mortgage Coupon Bonds Convertible to Registered (1)	$13,500,000	June 1, 1938	5%	June and Dec.	$671,736 12
Carolina, Clinchfield and Ohio Ry.	Ten Year Coupon Notes	2,000,000	July 1, 1919	5%	Jan. and July	100,000 00
Lick Creek & Lake Erie R. R. Co.	First Mortgage Coupon Bonds (2)	200,000	Jan. 1, 1933	5%	Jan. and July	10,000 00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series A	1,170,000	$130,000 Matures June 1st and Dec. 1st	5%	June and Dec.	67,166 67
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series B	600,000	$50,000 Matures Jan. 15th and July 15th	5%	Jan. and July	31,458 34
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series C	850,000	$50,000 Matures Feb. 1st and Aug. 1st	5%	Feb. and Aug.	44,166 67
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series D	325,000	$25,000 Matures Jan. 1st and July 1st	5%	Jan. and July	16,875 00
Carolina, Clinchfield and Ohio Ry.	Elkhorn Extension First Mortgage Gold Notes (3)	5,000,000	May 1, 1917	5%	May and Nov.	184,583 35
	Total	$23,645,000				$1,125,986 15
Less Interest on Elkhorn Extension First Mortgage Gold Notes charged to Construction						184,583 35
Net charges against Income						$941,402 80

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

Carolina, Clinchfield and Ohio Ry. of South Carolina	First Mortgage Coupon Bonds	$3,000,000	June 1, 1938	5%	June and Dec.	$150,000 (4)

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(1) Does not include $150,000 held in treasury.

(2) Includes $5,000 owned by C., C. & O. Ry.

(3) Total issue authorized $5,500,000.

(4) Accrues to C., C. & O. Ry.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES

FIRST MORTGAGE FIVE PER CENT. GOLD BONDS:

Dated June 1, 1908, due June 1, 1938, secured by first mortgage on the line of railway and other property from Dante, Virginia, to North Carolina—South Carolina state line, 223.47 miles (subject to mortgage for $200,000.00 on line from Dante, Virginia, to Fink, Virginia, 7.5 miles), by equipment, and by $3,000,000.00 (principal amount) of First Mortgage Bonds of Carolina, Clinchfield and Ohio Railway of South Carolina. Amount authorized $15,000,000.00, outstanding $13,500,000.00. Trustee: The Farmers Loan and Trust Company, New York, N. Y. Interest payable at office of the Company, 24 Broad Street, New York, N. Y. Mortgage contains "tax free" clause.

TEN-YEAR FIVE PER CENT. COUPON NOTES:

Dated July 1, 1909, due July 1, 1919, secured by mortgage on the line of railway and other property from Dante, Virginia, to North Carolina—South Carolina state line, 223.47 miles, by equipment and by $3,000,000.00 (principal amount) of First Mortgage Bonds of Carolina, Clinchfield and Ohio Railway of South Carolina (subject to mortgage for $15,000,000.00, Dante, Virginia, to North Carolina—South Carolina state line and to mortgage for $200,000.00, Dante to Fink, Virginia). Amount authorized and issued $5,000,000.00, $3,000,000.00 being retired September 1, 1912, the remaining $2,000,000.00 has the privilege of conversion into preferred stock of Carolina, Clinchfield and Ohio Railway at par. Trustee: The Equitable Trust Company, New York, N. Y. Interest payable at office of the Company, 24 Broad Street, New York, N. Y. Mortgage contains "tax free" clause.

ELKHORN EXTENSION FIRST MORTGAGE FIVE PER CENT. GOLD NOTES:

Dated May 1, 1912, due May 1, 1917, secured by first mortgage on the line of railway and other property from Virginia-Kentucky state line to Dante, Virginia, 32 miles, and by $500,000 (principal amount) of First Mortgage Five Per Cent. Gold Notes of Clinchfield Northern Railway of Kentucky. Amount authorized $5,500,000.00, outstanding $5,000,000.00. Trustee: Bankers Trust Company, New York, N. Y. Interest payable at office of the Company, 24 Broad Street, New York, N. Y. Mortgage contains "tax free" clause.

LICK CREEK AND LAKE ERIE RAILROAD FIRST MORTGAGE FIVE PER CENT. GOLD BONDS:

Dated December 23, 1902, due January 1, 1933, secured by first mortgage on the line from Dante, Virginia, to Fink, Virginia, 7.5 miles. Amount authorized and outstanding $200,000.00. Trustee: Washington Loan & Trust Company, Washington, D. C. Interest payable at Washington Loan & Trust Company, Washington, D. C.

EQUIPMENT NOTES, SERIES "A":

Equipment Covered:

- 1600 fifty ton Steel Hopper Cars.
- 250 thirty ton Steel Underframe Box Cars.
- 100 thirty ton Wooden Flat Cars.
- 2 Steel Underframe Baggage and Mail Cars.
- 15 Consolidation Freight Locomotives.
- 4 Ten-wheel Passenger Locomotives.
- 15 Steel Underframe Caboose Cars.
- 500 fifty ton Steel Gondola Cars.
- 100 fifty ton Steel Flat Cars.
- 6 Steel Baggage and Mail Cars.
- 12 Steel Underframe Passenger Coaches.
- 1 Mallet Locomotive.
- 1 Steel Wreck Car and Crane.

Cost of Equipment $3,236,237.60. Original issue of notes dated December 1, 1908, $2,600,000.00. Notes paid $1,430,000,00. Amount outstanding June 30, 1914, $1,170,000.00. Trustee: Bankers Trust Company, New York, N. Y. Interest payable at office of the Company, 24 Broad Street, New York, N. Y. Notes contain "tax free" clause:

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES—*Continued*

EQUIPMENT NOTES, SERIES "B":

Equipment Covered:

750 fifty ton Steel Hopper Cars.
4 Mogul Mallet Locomotives.
20 Sixteen-yard Dump Cars.
250 fifty ton Steel Gondola Cars.
12 Steel Underframe Passenger Coaches.

Cost of Equipment $1,375,285.00. Original issue of notes dated January 15, 1910, $1,000,000.00. Notes paid $400,000.00. Amount outstanding June 30, 1914, $600,000.00. Trustee: Union Trust Company of New York, N. Y. Interest payable at office of the Company, 24 Broad Street, New York, N. Y. Notes contain "tax free" clause.

EQUIPMENT NOTES, SERIES "C":

Equipment Covered:

1,000 fifty ton Steel Hopper Cars.
6 Mogul Mallet Locomotives.
3 Pacific Type Passenger Locomotives.

Cost of Equipment $1,385,761.59. Original issue of notes dated August 1, 1912, $1,000,000.00. Notes paid $150,000.00. Amount outstanding June 30, 1914, $850,000.00. Trustee: The New York Trust Company, New York, N. Y. Interest payable at office of the Company, 24 Broad Street, New York, N. Y. Notes contain "tax free" clause.

EQUIPMENT NOTES, SERIES "D":

Equipment Covered:

475 thirty ton Steel Underframe Box Cars.
25 thirty ton Steel Underframe Stock Cars.

Cost of Equipment $431,646.25. Original issue of notes dated July 1, 1913, $350,000.00. Amount outstanding June 30, 1914, $325,000.00. Trustee: The New York Trust Company, New York, N. Y. Interest payable at office of the Company, 24 Broad Street, New York, N. Y. Notes contain "tax free" clause.

STATEMENT OF SECURITIES OWNED, JUNE 30, 1914

	Bonds	Each	Par Value	Total
Bonds				
Carolina, Clinchfield and Ohio Railway of South Carolina	3,000	$1,000 00	$3,000,000 00	
Lick Creek and Lake Erie Railroad	5	1,000 00	5,000 00	$3,005,000 00
Stock	Shares			
Southport Harbor Co.	20,000	100 00	$2,000,000 00	
Spartanburg Land Co.	7,500	100 00	750,000 00	
South & Western Ry. Co. Consolidated	1,000	100 00	100,000 00	
South & Western Ry. Co. of N. C.	1,000	100 00	100,000 00	
Lick Creek and Lake Erie Railroad	1,000	100 00	100,000 00	
South & Western R. R. Co. (N. C.)	290	100 00	29,000 00	
Elkhorn Southern Ry.	50	100 00	5,000 00	
Carolina, Clinchfield and Ohio Ry. of Kentucky	50	100 00	5,000 00	
Clinchfield Northern Ry.	50	100 00	5,000 00	
Clinchfield Northern Ry. of Kentucky	50	100 00	5,000 00	
South & Western R. R.	10	100 00	1,000 00	3,100,000 00
Total Par Value				$6,105,000 00
Book Value				$5,757,361 41

GENERAL BALANCE SHEET,

CAROLINA, CLINCHFIELD

ASSETS

PROPERTY OWNED AS INVESTMENT		
Physical property owned		
Road and equipment since June 30, 1907		
Road	$41,766,144 93	
Construction Elkhorn Extension	4,552,593 53	
Equipment	6,655,778 06	
General expenditures	322,589 99	
	$53,297,106 51	
Reserve for Accrued Depreciation on equipment	317,637 38	
		$52,979,469 13
SECURITIES OWNED		
First mortgage bonds C. C. & O. Ry. of S. C	$3,000,000 00	
Miscellaneous securities	2,757,361 41	
		5,757,361 41
WORKING ASSETS		
Cash	$742,185 48	
Traffic and car service balances due from other companies	77,176 72	
Net balance due from agents and conductors	51,665 54	
Miscellaneous accounts receivable	181,226 66	
Matured interest on bonds of C. C. & O. Ry. of S. C	525,000 00	
Materials and supplies	402,381 31	
Other working assets	56,086 43	
		2,035,722 14
ACCRUED INTEREST NOT DUE		
Unmatured interest receivable		12,500 00
DEFERRED DEBIT ITEMS		
Insurance paid in advance	$2,594 67	
Other deferred debit items	190,483 02	
		193,077 69
Total Assets		$60,978,130 37

CAROLINA, CLINCHFIELD AND OHIO

PROPERTY OWNED AS INVESTMENT		
Physical property owned		
Road and equipment since June 30, 1907		
Road		$3,037,153 46
WORKING ASSETS		
Cash	$2,294 33	
Net balance due from agents and conductors	13,280 94	
Miscellaneous accounts receivable	21,763 06	
		37,338 33
DEFERRED DEBIT ITEMS		
Other deferred debit items		1,081 42
PROFIT AND LOSS		502,316 55
Total Assets		$3,577,889 76

JUNE 30, 1914

AND OHIO RAILWAY

LIABILITIES

STOCK			
Capital stock			
Common stock		$25,000,000 00	
Preferred stock	$12,000,000 00		
Less—Amount held in treasury	2,000,000 00		
		10,000,000 00	
			$35,000,000 00
MORTGAGE, BONDED AND SECURED DEBT			
Funded debt			
First Mortgage Five Per Cent. Gold Bonds	$13,650,000 00		
Less—Amount held in treasury	150,000 00		
		$13,500,000 00	
Ten Year Five Per Cent. Gold Notes		2,000,000 00	
Equipment Gold Notes, Series A		1,170,000 00	
Equipment Gold Notes, Series B		600,000 00	
Equipment Gold Notes, Series C		850,000 00	
Equipment Gold Notes, Series D		325,000 00	
L. C. & L. E. R. R. Co. First Mortgage Bonds		200,000 00	
Elkhorn Extension First Mortgage Five Per Cent. Gold Notes		5,000,000 00	
			23,645,000 00
WORKING LIABILITIES			
Traffic and car service balances due to other companies		$33,243 53	
Audited vouchers and wages unpaid		278,162 11	
Miscellaneous accounts payable		2,325 61	
Matured interest unpaid		8,150 00	
Working balance due to other companies		548,196 21	
			870,077 46
ACCRUED LIABILITIES NOT DUE			
Unmatured interest		$213,833 12	
Taxes accrued		50,000 00	
Contractors retained percentage		212,268 20	
			476,101 32
DEFERRED CREDIT ITEMS			
Operating reserves		$36,006 17	
Other deferred credit items		158,640 17	
			194,646 34
PROFIT AND LOSS			792,305 25
Total Liabilities			$60,978,130 37

RAILWAY OF SOUTH CAROLINA

STOCK		
Capital stock		
Common stock		$12,000 00
MORTGAGE, BONDED AND SECURED DEBT		
First Mortgage Five Per Cent. Gold Bonds		3,000,000 00
WORKING LIABILITIES		
Traffic and car service balances due to other companies	$5,440 39	
Audited vouchers and wages unpaid	17,931 08	
Matured interest unpaid	525,000 00	
		548,371 47
ACCRUED LIABILITIES NOT DUE		
Unmatured interest payable	$12,500 00	
Taxes accrued	5,000 00	
		17,500 00
DEFERRED CREDIT ITEMS		
Other deferred credit items		18 29
Total Liabilities		$3,577,889 76

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1914, COMPARED WITH SAME PERIOD PREVIOUS YEAR

Accounts	Expenses for 1913-1914	Expenses for 1912-1913
Maintenance of Way and Structures	$190,866 50	$181,825 10
Maintenance of Equipment	330,396 46	260,711 05
Traffic Expenses	102,917 21	96,763 26
Transportation Expenses	506,224 94	466,973 45
General Expenses	124,882 20	112,356 97
Total	$1,255,287 31	$1,118,629 83
Maintenance of Way and Structures:		
Superintendence	$11,502 20	$10,629 82
Ballast	4,159 14	4,806 47
Ties	39,027 22	19,515 72
Rails	3,759 21	2,818 08
Other Track Material	4,781 13	3,775 02
Roadway and track	97,795 20	108,547 25
Removal of snow, sand and ice	243 87	52 41
Tunnels	436 74	1,980 34
Bridges, trestles and culverts	10,464 48	7,393 46
Over and under grade crossings	108 65	39 46
Grade Crossings, fences, cattle guards and signs	967 97	426 12
Signals and interlocking plants	541 08	735 34
Telegraph and telephone lines	2,698 13	4,492 40
Buildings, fixtures and grounds	9,944 50	8,718 91
Roadway, tools and supplies	2,778 34	2,672 37
Injuries to persons	716 73	4,045 74
Stationery and printing	356 76	316 84
Other Expenses	110 33	9 90
Maintaining joint tracks, yards and other facilities *Dr.*	1,375 79	1,087 46
Maintaining joint tracks, yards and other facilities *Cr.*	*900 97*	*238 01*
Total Maintenance of Way and Structures	$190,866 50	$181,825 10
Maintenance of Equipment:		
Superintendence	$13,773 26	$13,309 55
Steam Locomotives—Repairs	98,393 46	86,660 02
Steam Locomotives—Depreciation	11,444 52	5,608 44
Passenger-train cars—Repairs	23,691 10	12,749 04
Passenger-train cars—Depreciation	6,655 32	2,532 06
Freight-train cars—Repairs	103,516 19	89,493 32
Frieght-train cars—Renewals	892 74	1,080 70
Freight-train cars—Depreciation	58,465 62	35,520 45
Work Equipment—Repairs	1,741 39	2,437 90
Work Equipment—Depreciation	1,410 00	516 58
Shop machinery and tools	9,418 54	9,580 80
Power plant Equipment	29 15	
Injuries to persons	436 12	721 14
Stationery and printing	493 72	501 05
Other Expenses	35 33	
Total Maintenance of Equipment	$330,396 46	$260,711 05

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1914, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

ACCOUNTS	EXPENSES FOR 1913-1914	EXPENSES FOR 1912-1913
TRAFFIC EXPENSES:		
Superintendence	$33,329 79	$32,361 65
Outside agencies	39,681 99	35,291 41
Advertising	7,660 33	4,502 77
Traffic associations	338 47	474 41
Industrial and immigration bureaus	10,315 75	12,714 39
Stationery and printing	11,590 88	11,401 01
Other expenses		17 62
Total Traffic Expenses	$102,917 21	$96,763 26
TRANSPORTATION EXPENSES:		
Superintendence	$24,578 89	$24,160 01
Dispatching trains	7,267 94	6,917 81
Station employees	42,600 49	38,797 64
Weighing and car-service associations	1,659 54	1,362 10
Station supplies and expenses	5,271 41	5,058 18
Yard masters and their clerks	3,669 48	2,867 34
Yard conductors and brakemen	13,886 78	13,375 01
Yard switch and signal tenders	274 08	266 37
Yard supplies and expenses	5 76	1 59
Yard enginemen	9,344 51	9,333 42
Enginehouse expenses—Yard	1,733 53	1,778 99
Fuel for yard locomotives	6,559 43	6,277 33
Water for yard locomotives	165 71	230 84
Lubricants for yard locomotives	526 71	526 14
Other supplies for yard locomotives	343 51	343 89
Operating joint yards and terminals *Dr.*	7,233 68	2,145 64
Operating joint yards and terminals *Cr*	*3,464 64*	*1,760 97*
Road enginemen	100,373 82	95,143 32
Enginehouse expenses—Road	16,339 46	17,249 74
Fuel for road locomotives	112,923 20	100,695 00
Water for road locomotives	5,353 02	4,990 91
Lubricants for road locomotives	3,478 94	4,081 95
Other supplies for road locomotives	3,516 59	3,532 33
Road trainmen	77,793 24	73,997 39
Train supplies and expenses	12,682 02	12,884 38
Interlockers and block and other signals	472 84	
Crossing flagmen and gatemen	690 00	721 07
Clearing wrecks	3,503 06	1,805 40
Telegraph and Telephone—operation	1,673 40	1,015 24
Stationery and printing	7,592 95	8,445 76
Other expenses	590 92	195 04
Loss and damage—freight	5,251 63	6,263 01
Loss and damage—baggage	14 35	210 75
Damage to property	7,853 59	5,991 05
Damage to stock on right of way	6,198 24	5,182 45
Injuries to persons	17,276 98	6,734 41
Operating joint tracks and facilities *Dr.*	989 88	6,571 83
Operating joint tracks and facilities *Cr.*		*418 91*
Total Transportation Expenses	$506,224 94	$466,973 45

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED JUNE 30, 1914, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

Accounts	Expenses for 1913-1914	Expenses for 1912-1913
General Expenses:		
Salaries and expenses of general office	$28,777 64	$26,881 66
Salaries and expenses of clerks and attendants	40,701 57	35,686 21
General office supplies and expenses	6,215 00	6,333 71
Law expenses	27,150 65	25,199 48
Insurance	3,808 51	3,310 40
Stationery and printing	9,011 59	8,036 09
Other expenses	9,079 46	6,892 51
General administration joint tracks, yards and terminals .... *Dr.*	137 78	16 91
Total General Expenses	$124,882 20	$112,356 97

TRAFFIC STATISTICS FOR YEAR ENDED JUNE 30, 1914

	YEAR ENDED JUNE 30, 1914	YEAR ENDED JUNE 30, 1913	INCREASE	DECREASE
AVERAGE MILES OF ROAD OPERATED	256.10	256.10		
PASSENGER TRAFFIC				
Number of passengers	438,641	403,432	35,209	
Number of passengers carried one mile	10,776,055	9,143,487	1,632,568	
Number of passengers carried one mile per mile of road	42,078	35,703	6,375	
Average distance each passenger travelled (miles)	24.57	22.66	1.91	
Total revenue from passengers	$224,579 58	$202,102 83	$22,476 75	
Average amount received from each passenger (cents)	51.20	50.10	1.10	
Average receipts per passenger per mile (cents)	2.08	2.21	....	.13
Total passenger train revenue	$261,327 01	$237,436 64	$23,890 37	
Passenger train revenue per mile of road	$1,020 41	$927 12	$93 29	
Passenger train revenue per train mile (cents)	69.92	64.02	5.90	
Average number of passengers per passenger train mile	29	25	4	
Average number of passengers per passenger car mile	14	12	2	
FREIGHT TRAFFIC				
REVENUE COAL TRAFFIC				
Tons of coal carried	1,760,440	1,688,811	71,629	
Tons of coal carried one mile	358,222,520	343,618,877	14,603,643	
Tons of coal carried one mile per mile of road	1,398,760	1,341,737	57,023	
Average distance hauled per ton (miles)	203.48	203.47	.01	
Total coal freight revenue	$1,583,207 11	$1,582,836 00	$371 11	
Average amount received for each ton (cents)	89.93	93.72	....	3.79
Average receipts per ton per mile (cents)	0.44	0.46	....	0.02
Coal freight revenue per mile of road	$6,181.99	$6,180 54	$1 45	
REVENUE MERCHANDISE TRAFFIC				
Tons of merchandise carried	878,675	805,036	73,639	
Tons of merchandise carried one mile	65,263,028	63,863,486	1,399,542	
Tons of merchandise carried one mile per mile of road	254,834	249,369	5,465	
Average distance hauled per ton (miles)	74.27	79.33	....	5.06
Total merchandise freight revenue	$817,142 73	$794.584 12	$22,558 61	
Average amount received for each ton (cents)	93.00	98.70	....	5.70
Average receipts per ton per mile (cents)	1.25	1.24	0.01	
Merchandise freight revenue per mile of road	$3,190 72	$3,102 63	$88 09	

TRAFFIC STATISTICS FOR YEAR ENDED JUNE 30, 1914—*Continued*

	YEAR ENDED JUNE 30, 1914	YEAR ENDED JUNE 30, 1913	INCREASE	DECREASE
TOTAL REVENUE FREIGHT TRAFFIC				
Tons of freight carried	2,639,115	2,493,847	145,268	
Tons of freight carried one mile	423,485,548	407,482,363	16,003,185	
Tons of freight carried one mile per mile of road	1,653,594	1,591,106	62,488	
Average distance hauled per ton (miles)	160.47	163.40	....	2.93
Total freight revenue	$2,400,349 84	$2,377,420 12	$22,929 72	
Average amount received for each ton (cents)	90.95	95.33	....	4.38
Average amount received per ton per mile (cents)	0.57	0.58	....	0.01
Freight revenue per mile of road	$9,372 71	$9,283 17	$89 54	
Freight revenue per train mile	$6 81	$6 73	$0 08	
Average number of tons of freight per train mile	1,202.24	1,154.34	47.90	
Average number of tons of freight per loaded car mile	38.46	38.91	....	.45
ALL FREIGHT (including company material hauled free)				
Number of tons carried	2,809,892	2,641,833	168,059	
Number of tons carried one mile	440,850,332	421,774,897	19,075,435	
Average number of tons of freight per train mile	1,251.54	1,194.83	56.71	
Average number tons of freight per loaded car mile	40.04	40.28	....	.24
REVENUE AND OPERATING EXPENSES				
Passenger and freight train revenue	$2,661,676 85	$2,614,856 76	$46,820 09	
Passenger and freight train revenue per mile of road	10,393 12	10,210 30	182 82	
Gross operating revenue	2,679,208 42	2,634,634 54	44,573 88	
Gross operating revenue per mile of road	10,461 57	10,287 52	174 05	
Gross operating revenue per revenue train mile	4 29	4 24	0 05	
Operating expenses (taxes excluded)	1,255,287 31	1,118,629 83	136,657 48	
Operating expenses per mile of road	4,901 55	4,367 94	533 61	
Operating expenses per revenue train mile	2 00	1 80	0 20	
Net operating revenue	1,423,921 11	1,516,004 71	....	$92,083 60
Net operating revenue per mile of road	5,560 02	5,919 58	....	359 56
Net operating revenue per revenue train mile	2 28	2 44	....	0 16

CLASSIFICATION OF FREIGHT HANDLED DURING YEAR ENDED JUNE 30, 1914, COMPARED WITH SAME PERIOD PREVIOUS YEAR

(Net Tons)

	Year Ended June 30, 1914	Year Ended June 30, 1913	Increase	Decrease
Products of Agriculture				
Grain	29 073	26,921	2,152	
Flour	20,754	18,477	2,277	
Other Mill Products	9,325	6,017	3 308	
Hay	12,554	8,440	4,114	
Cotton	916	711	205	
Fruits and Vegetables	1,297	1,722	....	425
Other Products of Agriculture	1,728	1,349	379	
Products of Animals				
Live Stock	1,169	1,259	....	90
Dressed Meats	519	1,168	....	649
Other Packing House Products	6,494	5,331	1,163	
Poultry, Game and Fish	622	607	15	
Hides and Leather	930	178	752	
Other Products of Animals	9,221	6,991	2,230	
Products of Mines				
Bituminous Coal	1,760,440	1,688,811	71,629	
Coke	3	106	....	103
Ores	1,865	3,863	....	1,998
Stone, Sand and Other like articles	226,067	226,213	....	146
Other Products of Mines	28,719	8,410	20,309	
Products of Forests				
Lumber	193,942	189,018	4,924	
Other Products of Forests	53,679	39,684	13,995	
Manufactures				
Petroleum and Other Oils	1,221	936	285	
Sugar	809	1,058	....	249
Naval Stores	15	39	....	24
Iron—pig and bloom	13,426	6,197	7,229	
Iron and Steel Rails	8,711	3,854	4,857	
Other Castings and Machinery	8,394	9,086	....	692
Bar and Sheet Metal	899	1,369	....	470
Cement	105,993	101,863	4.130	
Brick and Lime	67,948	55,936	12,012	
Agricultural Implements	3,153	3,278	....	125
Wagons, Carriages, Tools, Etc	4,329	3,786	543	
Wines, Liquors, and Beers	747	284	463	
Household Goods and Furniture	1,176	1,388	....	212
Other Manufactures	13,390	13,399	....	9
Merchandise	44,327	47,040	....	2,713
Miscellaneous	5,260	9,058	....	3,798
Total Tonnage	2,639,115	2,493,847	156,971	11,703
Net Increase	....	....	145,268	

2,639,115.
2,017,085.

LIST OF NEW INDUSTRIES ESTABLISHED DURING YEAR ENDED JUNE 30, 1914.

Shipping Point	Name	Character
Boonford N. C.	A. A. Young	Feldspar
Boonford N. C.	Edge and Edge	Saw Mill
Cameron Va.	Kinkead Brothers	Saw Mill
Callahan Va.	E. S. Baker	Staves
Callahan Va.	W. R. Bevins	Staves
Dungannon Va.	Dungannon Lumber Company	Saw Mill
Erwin Tenn.	Clinchfield Mineral and Milling Corporation	Purveyors Feldspar
Erwin Tenn.	Erwin Lumber Company	Saw Mill
Greer Va.	W. P. Clark	Saw Mill
Gray Tenn	Gray Canning Company	Canning Plant
Hardwood Va.	Bristol Hardwood Company	Saw Mill
Harris N. C.	M. B. Waters	Saw Mill
Harris N. C.	W. L. Briscoe	Saw Mill
Harris N. C.	C. H Jenkins	Saw Mill
Indian Ridge Tenn	J. P. Bowman	Canning Plant
Intermont N. C.	Intermont China Clay Company	Clay Washing
Johnson City Tenn	Model Mill Company	Grain Products (Doubled Cap.)
Kingsport Tenn	J. E. Wilkinson	Saw Mill
Kingsport Tenn	Hawes Harmon Lumber Company	Saw Mill
Logan N. C.	F. B. Logan	Saw Mill
Logan N. C.	M. W. Logan	Canning Plant
Marion N. C.	Pitts and Giles	Saw Mill
Marion N. C.	Pennsylvania Veneer Company	Veneer Plant
Mt. Mitchell N. C.	W. A. Burns	Saw Mill
Pactolus Tenn	Lisenby Brothers	Saw Mill
Spartanburg S. C.	Sams-Frazier Company	Saw Mill
Starnes Va.	Ford and Frazier	Saw Mill
Sevier N. C.	Piedmont Hardwood Company	Planing Mill
Sevier N. C.	A. N. Dale	Saw Mill
Spruce Pine N. C.	S. A. Martin, Byrl and Mica Company	Byrl and Mica
Tate N. C.	Yelton Lumber Company	Saw Mill
Tate N. C.	G. W. Morgan	Saw Mill
Wood Va.	Spear Brothers	Saw Mill
Wood Va.	Sulphur Springs Lumber Company	Saw Mill
Wood Va.	Flanory and Stewart	Saw Mill

STATEMENT OF OPERATING REVENUES AND EXPENSES

FOR FIVE YEARS, 1910 TO 1914, INCLUSIVE

OPERATING REVENUES

Years Ended June 30	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total Operating Revenues	Net Operating Revenues
1910	$709,579 03	$263,777 70	$141,956 03	$17,213 76	$18,864 36	$1,151,390 78	$375,156 44
1911	1,140,606 32	448,893 77	171,504 18	20,170 92	30.580 13	1,811,755 32	813,897 63
1912	1,537,257 71	566,732 35	167,333 61	22,337 84	28,141 79	2,321,803 30	1,261,077 38
1913	1,522,836 00	794,584 12	202,102 83	24,555 66	30,555 93	2,634,634 54	1,516,004 71
1914	1,583,207 11	817,142 73	224,579 58	26,317 04	27,961 96	2,679,208 42	1,423,921 11

The Ratio of Each Class of Operating Revenues to Total Operating Revenues is as Follows:

	1910	1911	1912	1913	1914
Coal Freight	61.63	62.95	66.21	60.08	59.09
Merchandise Freight	22.91	24.78	24.41	30.16	30.50
Passenger	12.33	9.47	7.21	7.67	8.38
Mail and Express	1.50	1.11	.97	.93	.98
Miscellaneous	1.63	1.69	1.20	1.16	1.05

OPERATING EXPENSES

Years Ended June 30	Maintenance of Way and Structures	Maintenance of Equipment	Traffic Expenses	Transportation Expenses	General Expenses	Total Operating Expenses	Ratio of Total Expenses to Revenues
1910	$135,748 15	$190,589 41	$66,318 09	$270,867 65	$112,711 14	$776,234 44	67.42
1911	165,200 50	238,335 53	81,304 65	406,676 47	106,340 54	997,857 69	55.08
1912	167,768 36	256,517 78	82,938 48	456,925 94	96,575 36	1,060,725 92	45.69
1913	181,825 10	260,711 05	96,763 26	466,973 45	112,356 97	1,118,629 83	42.45
1914	190,866 50	330,396 46	102,917 21	506,224 94	124,882 20	1,255,287 31	46.85

The Ratio of Each Class of Operating Expenses to Total Operating Revenues is as Follows:

	1910	1911	1912	1913	1914
Maintenance of Way and Structures	11.79	9.12	7.23	6.90	7.12
Maintenance of Equipment	16.55	13.15	11.05	9.89	12.33
Traffic Expenses	5.76	4.49	3.57	3.67	3.84
Transportation Expenses	23.53	22.45	19.68	17.72	18.90
General Expenses	9.79	5.87	4.16	4.27	4.66

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED JUNE

	OPERATING REVENUES					
	COAL FREIGHT	MERCHANDISE FREIGHT	PASSENGER	MAIL AND EXPRESS	MISCELLANEOUS	TOTAL
July, 1913	$132,528 44	$73,735 90	$24,916 60	$2,186 32	$2,363 39	$235,730 65
August, ''	156,099 26	78,001 47	26,437 21	2,241 82	3,619 53	266,399 29
September, ''	149,824 26	70,313 01	20,999 61	2,482 80	4,214 65	247,834 33
October, ''	159,896 25	71,629 12	20,041 63	2,411 68	1,911 36	255,890 04
November, ''	155.496 83	72.321 44	16,966 63	2,248 07	1,301 44	248,334 41
December, ''	141,460 16	61,787 67	20,432 04	2,270 90	1,480 24	227,431 01
January, 1914	137,726 20	60,806 80	15,297 44	2,230 18	1,817 43	217,878 05
February, ''	105,681 41	57,861 81	12.578 87	2,455 27	1,717 65	180,295 01
March, ''	115,854 57	66,827 02	14.813 98	1,935 01	2,061 19	201,491 77
April, ''	111,625 51	72,933 08	15,740 04	1,883 17	2,920 16	205,101 96
May, ''	117,772 37	67,057 88	18,042 18	1,915 64	2,564 95	207,353 02
June, ''	99,241 85	63,867 53	18,313 35	2,056 18	1,989 97	185,468 88
Total year ended June 30, 1914	$1,583,207 11	$817,142 73	$224.579 58	$26,317 04	$27,961 96	$2,679,208 42
Total year ended June 30, 1913	1,582,836 00	794,584 12	202,102 83	24,555 66	30,555 93	2,634,634 54
Increase........	$371 11	$22,558 61	$22,476 75	$1,761 38	....	$44.573 88
Decrease.......	....	....	....	....	$2,593 97	....
Increase, per cent.	.02	2.84	11.12	7.17	....	1.69
Decrease, per cent.........	....	....	....	....	8.49	....

30, 1914, COMPARED WITH TOTALS FOR THE YEAR ENDED JUNE 30, 1913

OPERATING EXPENSES						Net Operating Revenue
Maintenance of Way and Structures	Maintenance of Equipment	Traffic Expenses	Transportation Expenses	General Expenses	Total	
$14,662 25	$23,502 32	$7,770 15	$41,643 05	$8,868 43	$96,446 20	$139,284 45
19,029 78	28,291 89	8,150 44	46,519 67	9,020 56	111,012 34	155,386 95
17,966 10	27,256 33	8,972 86	43,484 19	9,604 94	107,284 42	140,549 91
18,259 40	29,101 87	8,487 52	44,039 28	8,807 43	108,695 50	147,194 54
16,299 92	27,816 69	8,877 73	43,816 36	9,334 02	106,144 72	142,189 69
15,258 86	26,339 78	8,315 10	43,066 97	10,113 36	103,094 07	124,336 94
14,643 94	29,818 23	7,970 69	41,696 83	10,772 34	104,902 03	112,976 02
11,060 59	24,203 52	7,901 81	37,561 11	10,383 44	91,110 47	89,184 54
11,717 78	27,305 72	8,042 24	39,941 78	9,793 36	96,800 88	104,690 89
15,614 97	25,140 23	9,196 57	39,797 95	9,948 73	99,698 45	105,403 51
18,308 95	27,102 60	9,026 33	43,634 95	10,579 92	108,652 75	98,700 27
18,043 96	34,517 28	10,205 77	41,022 80	17,655 67	121,445 48	64,023 40
$190,866 50	$330,396 46	$102,917 21	$506,224 94	$124,882 20	$1,255,287 31	$1,423,921 11
181,825 10	260,711 05	96,763 26	466,973 45	112,356 97	1,118,629 83	1,516,004 71
$9,041 40	$69,685 41	$6,153 95	$39,251 49	$12,525 23	$136,657 48	
....	....	....	....	....	....	$92,083 60
4.97	26.73	6.36	8.41	11.15	12.22	
....	....	....	....	....	....	6.07

STATEMENT OF MILEAGE OF TRACK OPERATED

		June 30, 1914	June 30, 1913	Comparison with June 30, 1913	
				Increase	Decrease
OWNED					
Main Line					
In Virginia: Kiser to Laurel Junction	5.60				
Dante to Va-Tenn. State Line	51.88				
		57.48	57.48		
In Tennessee: Va-Tenn. State Line to Johnson City	33.35				
Johnson City to Tenn-North Carolina State Line	21.63				
		54.98	54.98		
In North Carolina: North Carolina-Tennessee State Line to North Carolina-South Carolina State Line		116.61	116.61		
In South Carolina (C. C. & O. Ry. of S. C.): North Carolina-South Carolina State Line to Spartanburg		17.95	17.95		
		247.02	247.02		
Branches and Spurs					
In Virginia: Spur Hurricane Junction to End of Track	1.52*				
Spur, Laurel Junction to Laurel Tipple	3.39*				
Dante to Tipple No. 2	0.78*				
Dante to Foot of Switchback	1.27*				
		6.96*	6.96		
In Tennessee: Carnegie Spur		2.32	2.32		
In North Carolina: Bostic Yard to Bostic		.80	.80		
		10.08	10.08		
LEASED					
Main Line					
In Tennessee: E. T. & W. N. C. R. R. in Johnson City		.63	.63		
TRACKS USED JOINTLY					
In Virginia: N. & W. Ry., Kiser to St. Paul		8.45	8.45		
Grand Total		266.18	266.18		
Total Mileage operated (*a*)		256.10	256.10		
Average Mileage operated (*a*)		256.10	256.10		
First track, owned, operated and leased		257.73	257.73		
First track, used jointly		8.45	8.45		
Sidings, owned		95.22†	93.95	1.27	
Sidings, leased		0.61	0.61		
Total All Tracks		362.01	360.74	1.27	

* Rails and fastenings owned by C. C. & O. Ry., Roadbed and ties owned by other parties.

† On 8.281 miles of this, ties and roadbed owned by other parties, rails and fastenings owned by C. C. & O. Ry.

(*a*) Excludes spur lines on which no regular trains are run.

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS BUILT DURING YEAR ENDED JUNE 30, 1914

OWNED

MILE POST		MILES
	VIRGINIA	
	Tail track at temporary tipple at shaft on Hurricane Branch	.086
62.0	Commercial siding for Dungannon Lumber Co.	.216
65.7	Extension commercial siding for Hardwood Lumber Co.	.017
66.7	Commercial siding for Sulphur Springs Lumber Co.	.081
	TENNESSEE	
97.8	Commercial siding known as Roller, for J. A. Wilkinson	.047
99.5	Kingsport yard track No. 1, for Clinchfield Portland Cement Corporation	.303
99.5	Kingsport yard track No. 2, for Clinchfield Portland Cement Corporation	.054
102.3	Extension commercial siding for J. A. Wilkinson	.054
126.0	Extension Model Mill No. 1.	.066
126.0	Extension Model Mill coal track	.050
	Extension commercial siding for Hice Manufacturing Co. (from Carnegie Yard)	.066
140.9	Commercial siding for A. A. English Lumber Co.	.062
142.0	Erwin yard track to C. C. & O. Ry. Planing Mill	.074
143.0	Commercial siding for Clinchfield Mineral & Milling Corporation	.193
	NORTH CAROLINA	
172.3	Extension Toecane passing siding	.042
175.8	Commercial siding for Intermont China Clay Co	.135
179.1	Interchange track with Black Mountain Railway and two crossovers at Kona	.466
194.3	Storage track off of Ridge passing siding	.337
194.4	Spur off of Ridge storage track	.087
196.3	Extension of Mt. Mitchell Station siding	.052
201.1	Commercial siding for M. C. Caldwell	.049
260.6	Extension Harris Station siding.	.011
	Total	2.548
	Tracks removed during the year	1.277
	Net length of track added during the year	1.271

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE YEAR ENDED JUNE 30, 1914

Right of way and station grounds	$6,291 55
Tunnel improvements	51,264 44
Bridges, trestles and culverts	24,626 11
Increased weight of rail	5,149 01
Ballast	3,119 52
Sidings and spur tracks	8,671 91
Terminal yards	32 90
Fencing right of way	1,682 41
Station buildings and fixtures	8,880 13
Shops, engine houses and turntables	3,043 95
Shop machinery and tools	6,342 85
Water and fuel stations	9,126 72
Miscellaneous structures	25,440 46
Locomotives	34 31
Freight-train cars	432,493 79
Total	$586,200 06

ADDITIONS AND BETTERMENTS

Two concrete portals and 636 feet of concrete lining placed in Clinchport tunnel, which covers the entire length of the tunnel.

Two concrete portals and 347 feet of concrete lining placed in Sensabaugh tunnel, which covers the entire length of the tunnel.

Two concrete portals and 298 feet of concrete lining placed in Indian Ridge tunnel.

One concrete portal on the north end, and 48 feet of concrete lining placed in Second Washburn tunnel.

Two concrete portals and 288 feet of concrete lining placed in Speedy tunnel, which covers the entire length of the tunnel.

One concrete portal on north end and 48 feet of concrete lining placed in Lower Pine Ridge tunnel.

Two concrete portals and 180 feet of concrete lining placed in Fourth Rocky tunnel, which covers the entire length of the tunnel.

Two concrete abutments at Guest River bridge in Virginia, which were in progress June 30, 1913, were completed early in the year.

Wooden piers and trestle supporting Big Rock Creek bridge were replaced by two concrete abutments and earth fill.

Wooden piers at Pigeon Roost Creek bridge were replaced by two concrete abutments. The work of removing the trestle on each end, and backfilling behind the abutments, is in progress.

28,301 feet of 60-lb. rail was replaced by 85-lb. rail on the following passing sidings: Fordtown, Huntdale, Galax, Conley, Green Mountain and Toecane; also 60 feet on Galax station siding and 500 feet on Toecane station siding.

Three miles of standard right of way fence was built near Dungannon, Va.

The station at Kingsport, Tenn., was extended to provide additional freight room, two new waiting rooms, and a new office for agent.

The loading platform of the Johnson City freight station was extended 100 feet northward.

New wooden stations were erected at Sevier, N. C., and Mayo, S. C.

Shelter sheds were erected at Hamlin, Va., and at Bandana, N. C.

A Westinghouse triple valve test rack was placed in the planing mill at Erwin, Tenn.

A new reinforced concrete coaling station, 300 tons capacity, with sand facilities, is in process of erection at Dante, Va.

A two-story brick office building is being erected at Erwin, Tenn.

The 14-room boarding house at Dante, Va., and the joint station with V. & S. W. Ry. at Speers Ferry, Va., which were in process of erection June 30, 1913, were completed early in the year.

Three five-room cottages and one 12-room boarding house are in process of erection at Altapass, N. C., for use of employees.

A section foreman's house was built at Green Mountain, N. C., and another at Rocky, N. C. A tool house was built at Clinch, Va., also another at Kingsport, Tenn., and another at Erwin, Tenn.

An agent's house was built at Hurricane, Va., and a pumper's house at Kingsport, Tenn.

$14,020.98 was spent during the year on freight equipment to bring same up to the requirements of the United States Safety Appliance Act, dated April 14, 1910.

MAINTENANCE OF EQUIPMENT

LOCOMOTIVES

Type		Owned or Leased June 30, 1913	Owned or Leased June 30, 1914	Weight and Tractive Power	
				Average Weight	Average Tractive Power
Mogul	(2-6-0)	1	1	126,000	21,400
Ten-wheel	(4-6-0)	5	6	151,000	26,050
Consolidation	(2-8-0)	1	0	000,000	00,000
Consolidation	(2-8-0)	2	2	178,000	41,160
Consolidation	(2-8-0)	15	15	199,150	43,882
Mallet	(2-6-6-2)	11	11	375,373	76,786
Pacific	(4-6-2)	3	3	235,000	37,140
Total, Freight and Passenger		38	38	9,209,353	1,874,316
Average				242,351	49,324
In Construction Service		2	2		
Obsolete		5	5		
Total Locomotives		45	45		

	Year Ended June 30, 1914	Year Ended June 30, 1913	Increase	Decrease
Number of locomotives through shop	39	38	1	
Number of locomotives in shop being repaired and awaiting repairs at end of year	6	5	1	
Average amount expended for repairs per locomotives in service	$2,589.30	$2,280.53	$308.77	

PASSENGER CARS

Average amount expended for repairs and cleaning per passenger train car owned	$640 30
Number of passenger train cars through shop	10
Number of passenger train cars in shop at end of year	2

Owned and in Service	Construction	Year Ended June 30, 1914	Year Ended June 30, 1913	Increase	Decrease
Combination, baggage and mail	Steel underframe	*0	2	0	2
	All Steel	6	6		
Combination, baggage and express	Wooden	1	1		
	Steel underframe	2	0	2	
Coaches	Wooden	1	1		
	Vestibule and Steel underframe	24	24		
Observation		1	1		
Business		2	2		
Total		37	37	2	2

*Changed during year from Baggage and Mail to Baggage and Express.

MAINTENANCE OF EQUIPMENT—*Continued*

FREIGHT CARS

Average amount expended per freight car owned	$19.88
Total number of freight train cars repaired	46,923

Owned and in Service	Description	Capacity in Pounds	Year Ended June 30, 1914	Year Ended June 30, 1913	Increase	Decrease
Stock	Steel underframe	60,000	25	0	25	
Box	Wood	60,000	212	228		16
Box	Steel underframe	60,000	723	248	475	
Flat	Wood	40,000	6	6		
Flat	Wood	60,000	89	92		3
Flat	Steel underframe	100,000	100	100		
Gondolas	Steel	100,000	748	748		
Hoppers	Steel	100,000	3,332	3,332		
Caboose	Steel underframe		16	16		
Camp	Wood		35	19	16	
Dump	Steel		20	20		
Pile Driver	Steel underframe		1	1		
Derrick	Steel		1	1		
Steam Shovels	Steel underframe		2	2		
Scoop	Wood		2	2		
Spreaders	Wood		3	3		
Scale test	Steel		1	1		
Totals			5,316	4,819	516	19
Freight Car Equipment						
Number of revenue cars in service			5,235	4,606	629	
Tonnage capacity			240,590	226,160	14,430	
Average tonnage capacity			45.96	49.10		3.14
Freight Locomotives						
Number			30	30		
Total tractive power, pounds			1,625,596	1,632,696		7,100
Average tractive power, pounds			54,186	54,423		237

All cars equipped with air brakes.

EQUIPMENT PERFORMANCE

	Year Ended June 30, 1914	Year Ended June 30, 1913	Increase	Decrease
Locomotives				
Cost per mile run (Cents)				
Enginemen	11.19	10.83	0.36	
Enginehouse Expenses	1.84	1.97	....	0.13
Fuel	12.18	11.09	1.09	
Water	0.56	0.54	0.02	
Lubricants	0.41	0.48	....	0.07
Other Supplies	0.39	0.40	....	0.01
Repairs and Renewals	10.03	8.99	1.04	
Depreciation	1.17	0.58	0.59	
Total cost per locomotive mile (cents)	37.77	34.88	2.89	
Pounds coal consumed per locomotive mile	218.41	216.75	1.66	
Pounds coal consumed per freight locomotive mile	324.35	313.57	10.78	
Pounds coal consumed per passenger locomotive mile	105.21	107.91	....	2.70
Pounds coal consumed per mixed locomotive mile	217.68	230.98	....	13.30
Pounds coal consumed per special locomotive mile	105.21	107.91	....	2.70
Pounds coal consumed per switching locomotive mile	120.45	126.53	....	6.08
Pounds coal consumed per non-revenue locomotive mile	103.02	102.23	.79	
Locomotive miles per ton of coal	9.16	9.23	....	.07
Freight locomotive miles per ton of coal	6.17	6.38	....	.21
Passenger locomotive miles per ton of coal	19.01	18.53	.48	
Mixed locomotive miles per ton of coal	9.19	8.66	.53	
Special Locomotive miles per ton of coal	19.01	18.53	.48	
Switching locomotive miles per ton of coal	16.60	15.81	.79	
Non-revenue locomotive miles per ton of coal	19.41	19.56	....	.15
Locomotive miles run per pint of oil	10.95	11.98	....	1.03
Average number of locomotives in service per month	36.00	37.00	....	1.00
Average mileage per locomotive per month	2,271	2,167	104.00	
Passenger Cars				
Pounds coal consumed per passenger train car mile	51.51	53.08	....	1.57
Number passenger cars handled one mile per ton of coal	38.83	37.68	1.15	
Freight Cars				
Pounds coal consumed per freight car mile (excluding caboose)	8.65	8.76	....	.11
Number freight cars handled one mile per ton of coal	231.22	228.19	3.03	

MILEAGE STATISTICS

	Year Ended June 30, 1914	Year Ended June 30, 1913	Increase	Decrease
Locomotive Mileage				
Of revenue freight trains	431,027	427,144	3,883	
Of revenue passenger trains	272,799	266,070	6,729	
Of revenue mixed trains	139,336	125,824	13,512	
Of revenue special trains	1,840	3,820		1,980
Of revenue switching service	106,936	100,822	6,114	
Of non-revenue trains	28,943	42,143		13,200
Total	980,881	965,823	30,238	15,180
Net decrease			15,058	
Train Mileage				
Of revenue freight trains	248,986	246,981	2,005	
Of revenue passenger trains	270,490	264,871	5,619	
Of revenue mixed trains	103,262	106,019		2,757
Of revenue special trains	1,840	3,820		1,980
Of non-revenue trains	27,795	41,456		13,661
Total	652,373	663,147	7,624	18,398
Net Decrease				10,774
Car Mileage and Statistics				
Mileage of loaded freight cars	11,011,597	10,471,987	539,610	
Mileage of empty freight cars	8,681,526	8,125,233	556,293	
Mileage of caboose cars	248,986	247,175	1,813	
Total mileage of freight train cars	19,942,109	18,844,393	1,097,716	
Mileage of passenger cars	771,444	739,354	32,090	
Mileage of sleeping, parlor, and observation cars	1,743	1,709	34	
Mileage of other passenger train cars	372,832	352,245	20,587	
Total mileage of passenger train cars	1,146,029	1,093,308	52,711	
Mileage of special cars	20,989	29,123		8,134
Mileage of non-revenue cars	274,193	368,045		93,852
Average number of loaded cars in each freight train	31.26	29.66	1.60	
Average number of empty cars in each freight train, excluding caboose	24.65	23.02	1.63	
Average number of cars in each freight train, excluding caboose	55.91	52.68	3.23	
Percentage of loaded cars in each freight train	55.91	56.30		.39
Average number of passenger train cars in each passenger train	2.06	2.95		.89

MAINTENANCE OF WAY AND STRUCTURES

Total Expenditure for Maintenance of Way and Structures, $190,866.50, or $745.28 per mile operated.

WEIGHT OF RAIL IN MAIN TRACK YEAR ENDED JUNE 30, 1914

	C., C. & O. Railway			C., C. & O. Railway of S. C.		Total
	Main Line	Branches	Sidings	Main Line	Sidings	Main Line and Branches
	Miles	Miles	Miles	Miles	Miles	Miles
Owned						
90-lb. Rail	2.95	....	0.43	....	....	3.38
85-lb. Rail	221.01	7.78	43.96	17.95	4.28	294.98
80-lb. Rail	5.11	....	3.55	....	....	8.66
60-lb. Rail	....	2.30	41.79	....	1.07	45 16
45-lb. Rail	....	....	0.14	....	....	0.14
Total owned	229.07	10.08	89.87	17 95	5.35	352.32
Leased						
85-lb. Rail	0.63	....	0.61	....	....	1.24
Total owned and leased	229.70	10 08	90.48	17.95	5.35	353.56

The above does not include 8.45 miles Norfolk & Western Ry. from St. Paul to Kiser, over which the Company has trackage rights, but does include lines leased from the E. T. & W. N. C. R. R. in Johnson City.

84,821 cross ties used in maintaining existing tracks.

BALLAST IN MAIN TRACK ON JUNE 30, 1914

Additional ballast placed on track during the year as follows:

	Virginia	Tennessee	North Carolina	South Carolina	Total
Stone—cubic yards	6,292	3,652	6,863	748	17,555
Slag " "	5,324	3,036	46,556	3,696	58,612
Total	11,616	6,688	53,419	4,444	76,167

General distribution of all ballast is as follows:

	Main Line		Branch Line	
	C., C. & O. Ry.	C., C. & O. Ry. of S. C.	C., C. & O. Ry.	Total
	Miles	Miles	Miles	Miles
Stone	176.01	14.06	—	190.07
Slag	49.22	3.46	9.76	62.44
Sand	—	.03	—	.03
Bridges	3.84	0.40	0.32	4.56
Total	229.07	17.95	10.08	257.10

Tracks used jointly, excluded.
In general, stone ballast used in cuts and old embankments.
Slag and sand used on embankments liable to settle.

COMPARATIVE STATEMENT OF MATERIAL AND SUPPLIES ON HAND

	June 30, 1914	June 30, 1913	Increase	Decrease
Air brakes and parts	$3,096 83	$2,084 07	$1,012 76	
Asbestos, brick and cement	799 93	1,507 10	....	$707 17
Axles and wheels	15,361 02	3,777 93	11,583 09	
Bolts, nuts, rivets and screws	5,621 90	5,902 61	....	280 71
Brass and bronze	2,318 96	858 40	1,460 56	
Car trimmings	1,917 30	1,495 47	421 83	
Castings (rough)	31,193 39	17,064 72	14,128 67	
Couplers	9,829 28	8,770 01	1,059 27	
Dry goods, rope and twine	201 94	136 95	64 99	
Electrical material	566 86	2,461 86	....	1,895 00
Explosives	286 94	399 91	....	112 97
Finished articles	4,607 21	512 13	4,095 08	
Fencing material	1,090 75	757 34	333 41	
Flues and flue ends	2,261 77	743 83	1,517 94	
Fuel	2,346 96	1,698 13	648 83	
Frogs and switches	6,978 75	9,220 06	....	2,241 31
Glass, glassware, etc	444 98	150 50	294 48	
Hardware	440 77	473 09	....	32 32
Headlights and lamps	320 68	236 43	84 25	
Hose and rubber goods	1,686 27	2,101 53	....	415 26
Iron—bar	10,642 75	12,213 44	....	1,570 69
Iron—sheet	1,585 75	1,090 26	495 49	
Injectors, lubricators, etc	827 74	455 98	371 76	
Lumber	21,446 09	18,719 50	2,726 59	
Metals—sheet, copper, etc	1,507 67	1,006 32	501 35	
Oils and waste	3,466 93	1,737 09	1,729 84	
Paints, varnishes and drugs	4,982 33	1,406 04	3,576 29	
Pipe and fittings, valves	2,126 35	2,820 13	....	693 78
Rails	22,334 30	34,564 73	....	12,230 43
Rail fastenings	6,784 61	26,797 73	....	20,013 12
Semaphores	375 99	751 98	....	375 99
Steel car material	4,242 63	2,169 30	2,073 33	
Structural iron	1,539 66	1,227 24	312 42	
Springs	1,631 92	1,957 66	....	325 74
Tires (steel)	2,812 42	1,826 94	985 48	
Ties (cross)	24,624 63	15,950 98	8,673 65	
Tools and machinery (shop)	1,591 30	916 97	674 33	
Tool and spring steel	1,062 89	942 85	120 04	
Track tools	450 80	506 47	....	55 67
Trucks, scales, water tanks	1,981 23	1,969 65	11 58	
Turntables	5,101 31	5,101 31		
Material not enumerated above	4,480 48	14,661 82	....	10,181 34
Elkhorn construction material	185,409 04	....	185,409 04	
Total	$402,381 31	$209,146 46	$244,366 35	$51,131 50
Net Increase	....	....	$193,234 85	

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